Charitable Gaming in Alberta

2006-07 IN REVIEW

2007

AGLC
Alberta Gaming and Liquor Commission

ALBERTA LOTTERY FUND

Year at a Glance

Alberta's charitable gaming model provides opportunities for charitable and religious groups to benefit financially from gaming activities. Non-profit groups across the province earn hundreds of millions of dollars each year to support their programs and activities by conducting bingos and casinos, selling pull-tickets, and holding raffles. The funds from charitable gaming stay in the community and help our communities stay vibrant and attractive for residents and newcomers alike.

	2006-07	2005-06	2004-05	2003-04	2002-03
Gaming Venues					
Licensed bingo facilities	**44**	47	52	53	56
Charitable casino facilities	**19**	17	16	16	16
Charitable Gaming Licences Issued*					
Bingo	**1,265**	1,262**	1,371	1,281	1,577
Casino	**3,259**	2,904	2,893	2,962	2,923
Pull-ticket	**295**	228	314	262	371
Raffle	**296**	327	294	320	317
	5,115	4,721	4,872	4,825	5,188
Charitable Gaming Revenue to Charities ($ millions)					
Casino	**198**	172	147	133	122
Bingo	**30**	35**	41	44	46
Raffle***	**34**	34**	42	39	30
Pull-ticket	**8**	7	8	10	8
	270	248**	238	226	206

* Bingo and pull-ticket licences are generally in effect for two years. Licences for casinos and raffles are generally for a single event.
** Figure has been re-stated.
*** Does not include raffles under $10,000.

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Introduction

Alberta's charitable gaming model provided opportunity for over 6,400 charitable and religious groups that chose to conduct charitable gaming activities such as bingos, casinos, raffles and pull-ticket sales in 2006-07. These groups raised over $270 million in proceeds which were invested in communities throughout Alberta.

The unique charitable gaming model of Alberta is highly regarded by charitable groups and stakeholders in the province. This annual review provides information about Alberta's charitable gaming model including:

- Which groups are eligible for gaming licences,
- How charitable gaming funds are used,
- The amount generated by charities from each gaming activity,
- How the province maintains the integrity of gaming activities.

Also included in this annual review is information about the Gaming Information for Charitable Groups (GAIN) program, which educates charitable and religious groups about how the charitable gaming model works. As well, information is provided on how to become a charitable gaming licensee.

All gambling is illegal unless specifically exempted through legislation in the Criminal Code of Canada. Gaming activities may only be conducted by a provincial government or by an eligible charitable or religious organization licensed by a provincial government.

Mandate

In accordance with the *Gaming and Liquor Act*, the Gaming and Liquor Regulation, the *Criminal Code of Canada* and Alberta government's policy framework, the AGLC's mandate is to:

- License, regulate and monitor gaming and liquor activities in Alberta,
- Define operating policies and procedures for gaming and liquor activities,
- Ensure integrity and social responsibility in the operation of gaming and liquor activities,
- Collect gaming and liquor revenue,
- Ensure business and program operations run efficiently, effectively, and economically,
- Disburse provincial lottery revenues,
- Independently or with industry and government, develop and implement programs and services to address problem gambling and responsible alcohol consumption, and
- Communicate to gaming and liquor stakeholders accurate and timely information.

In addition to licensing eligible groups for charitable gaming events, the AGLC administers the Alberta Lottery Fund, including the collection and disbursement of proceeds. Proceeds to the Alberta Lottery Fund come from gaming activities such as VLTs, slot machines, electronic bingo and ticket lotteries.

The Alberta Lottery Fund benefits Alberta communities by supporting a variety of programs, projects and foundations, administered by 12 government ministries.

No gaming events in Alberta may be conducted without the direct involvement of an eligible charitable or religious group.

Eligibility and Allowable Uses of Proceeds

The *Criminal Code* requires that groups participating in charitable gaming must be charitable or religious in nature and that the proceeds from charitable gaming be directed to charitable or religious purposes. The province's *Gaming and Liquor Act*, the Gaming and Liquor Regulation, and its gaming policies establish the standards for conducting gaming activities; this includes which groups may be eligible for gaming licences and how they may use the gaming proceeds.

Only non-profit groups are eligible for charitable gaming licences. In this regard, eligible groups must:

- Have a broad-based volunteer membership,
- Have an executive democratically chosen from its volunteer base,
- Have unpaid members, directors or officers,
- Have programs which benefit a large segment of the community, not the individual members' self interest,
- Have volunteers who are responsible for establishing, maintaining control of and delivering the group's programs, and
- Be incorporated (except for raffles with a total ticket value of $10,000 or less).

Eligible groups must have actively delivered a charitable program to the community for at least one year before applying for a gaming licence. For casino event applicants, an active record of program delivery for the previous 24 months is required. In locations where there is no casino waiting list, casino event licences will be considered after 12 months of proven program delivery. For bingo applicants and applicants for a raffle with a total ticket value more than $100,000, an active record of program delivery for the previous 12 months is required.

The aim of this requirement is to ensure eligible groups have pre-existing support in the community and do not rely upon gaming funds for program delivery. Gaming proceeds are intended to supplement the volunteer activities of eligible charities rather than serve as a primary source of support.

In 2006-07, veterans, service, and fraternal groups raised $29 million in proceeds from licensed charitable gaming events to support many community objectives

TYPES OF GROUPS ELIGIBLE FOR GAMING LICENCES

From 'A' to (almost) 'Z', there is a wide variety of different types of groups who are eligible to participate in charitable gaming.

Agricultural Fair or Exhibition

Groups registered under the *Alberta Societies Act* or *Agricultural Societies Act* that conduct annual fairs, exhibitions, rodeo or chuck wagon events.

Aid of the Distressed

Groups with identified specific issues of social concern that actively work to address these issues by providing a social service and/or educational program. Examples include facilities that house victims of violence and food banks.

Arts

Non-profit groups that actively deliver an arts program or activity to the public in the visual arts, the literary arts, the media arts and the performing arts. Included are marching, school and youth bands, and related groups such as parent associations and booster clubs.

Associations of Employees, Occupations or Professions

A group of employees or groups founded upon a common occupation or profession with membership open to the general public. The groups' primary purpose is to provide charitable programs or services that benefit the community. Groups formed by employees or upon a common occupation or profession, structured principally for self-help, personal benefit or the welfare of their membership are ineligible.

Chamber of Commerce/Board of Trade

Chamber of Commerce or Board of Trade groups in municipalities where a service club or community league or association does not exist. The chamber or board serves the purpose of operating community programs or services.

Children's Groups

Groups that deal with children and have identified specific issues of social concern and actively address these issues, such as day care facilities. Commercial enterprises are ineligible.

Community Leagues/Associations

Groups incorporated as community leagues/associations or groups that provide the same types of functions as community leagues/associations.

Education

Volunteer educational groups within or affiliated with schools or educational institutions that enhance the educational opportunities of students.

Eligibility and Allowable Uses of Proceeds

TYPES OF GROUPS ELIGIBLE FOR GAMING LICENCES (CONTINUED)

Ethno-Cultural

Groups identifying themselves with a specific ethnic or cultural origin that preserve or enhance their heritage, traditions, and cultures by offering educational programs or cultural activities to the community.

Fundraising

Groups such as: (a) foundations and "friends of" groups incorporated to aid and support the charitable work of hospitals, schools and libraries (that is, they aid and support establishments or institutions which are ineligible for licensing due to statutory or policy limitations); and (b) community service groups (nationally chartered service clubs, fraternal groups, veteran's groups, and the United Way) that operate to support community projects, organizations and assist needy individuals.

Governance (arm's length)

Groups that deliver programs for community service or public benefit and show a clear separation in funding and governance from publicly-funded programs. Examples include youth, family and community service associations.

Historical Resources

Groups engaged in activities that provide the general public with access to our historical resources, such as museums and historical book committees.

Hobby/Social

Groups whose programs provide education and information programs to members of the public. Examples include quilting associations and orienteering clubs. Groups primarily established to serve or further the self-interest of its members through pursuit of leisure time activities based upon hobby, recreational, or social activities are ineligible.

Liaison

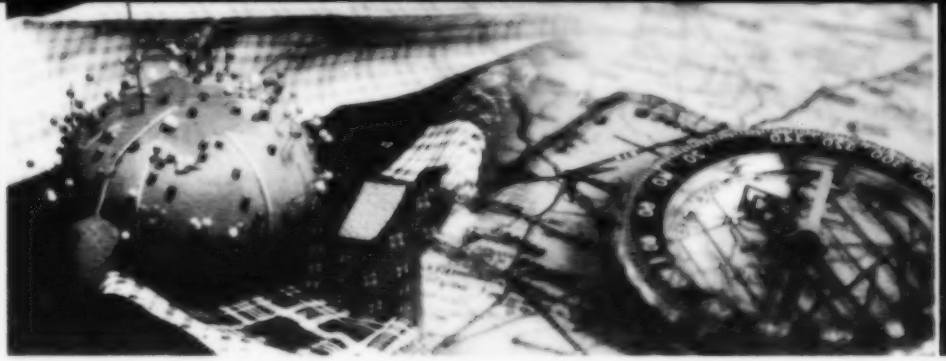
Groups that provide public education or counselling programs, liaise with government, and present a balance of the range of views on particular issues of public concern. Examples include groups that represent specific cultures or environmental concerns.

Medical/Health Aid and Relief

Groups whose primary purpose is to assist those afflicted with a specific physical or mental disorder. Includes groups that support medical research, health care facilities or support groups for those who are handicapped. Hospitals, health centres and for-profit medical facilities are ineligible.

Nature Conservancy

Groups at the community or regional level that promote nature conservation through educational programs or the operation of public facilities.



TYPES OF GROUPS ELIGIBLE FOR GAMING LICENCES (CONTINUED)

Non-profit

A non-profit group ineligible for a gaming licence as a charity or religious group may be eligible for a licence to conduct a small raffle with a total ticket value of $5,000 or less.

Promotional

A group that provides a charitable or religious program or service which results in a community benefit, and engages in promotional activities to increase public awareness and participation in its programs or services.

Related Groups

Branches, subsidiaries, auxiliaries, or groups similarly affiliated with a charity are considered related to a charity. Either the principal or affiliated group may be licensed for a bingo or casino event at a time.

Religious

Religious groups such as churches, parishes, congregations, and lay groups involved in furthering religious principles or objectives.

Senior Citizens

Groups that provide programs and services to assist seniors in the community.

Sports

Sports groups at the community or regional level that promote a charitable objective through the delivery of a structured and developmental amateur sports program to the public. The sports program may be based on individual or team play. Adult sports groups that meet various criteria, including support of a youth component of the sport, may be eligible.

Umbrella Groups

A group that provides support to other charitable groups and is responsible for direct active delivery of charitable or religious programs to the community. Includes umbrella groups with joint responsibility with charitable groups for the direct delivery of programs or services to the general public, and contributes resources needed to deliver these programs and services, for example, governing bodies of eligible amateur sports leagues.

Veteran, Service and Fraternal

Groups established based on a national charter and whose general objectives relate to activities that provide community benefit. The auxiliaries of such groups may also be eligible for licensing. For example: legions, fraternal orders, etc.

Youth

Groups that provide youth development programs and services in the community, such as the teaching of leadership, citizenship and community development skills.

Eligibility and Allowable Uses of Proceeds

ALLOWABLE USES OF PROCEEDS

How can proceeds be used from a charitable gaming event?

Part of the proceeds may be used to pay for prizes and other expenses related to operating the event. The remainder of the gaming proceeds must be used for the charitable or religious purposes stated in the charitable group's licence application. To change use of proceeds, groups are required to submit a written request to the AGLC, and if approved, the group's licence will be updated accordingly. Charities have up to two years to use the funds.

If a group requires an extension of the two year period, a request for extension must be submitted to the AGLC along with a supporting business plan. The business plan must include:

- A written explanation as to why the proceeds have accumulated beyond 24 months,
- Any other sources of revenue associated with the planned project or event;
- A list of expenditures associated with the planned project or event; and
- Timelines for the anticipated disbursement of the accumulated proceeds.

Bingo licensees that operate at halls with electronic bingo also receive a portion of the proceeds from electronic bingo and Keno through a grant from the Alberta Lottery Fund.

Gaming proceeds also include interest, dividends or other income earned.

Starting on the next page is a list of allowable uses of gaming proceeds. For more information, please check the Charitable Gaming Policies Handbook on the AGLC website at **www.aglc.gov.ab.ca** or contact the Regulatory Division of the AGLC.

In 2006-07, the AGLC amended the Charitable Gaming Policies Handbook to permit gaming proceeds to be used to establish or donate to endowment funds

ALLOWABLE USES OF PROCEEDS (CONTINUED)

Accounting Fees/Gaming Financial Reports

Licensed groups may use gaming proceeds to hire a professional accountant (CA, CGA, CMA) to prepare gaming financial reports (includes all bingo, casino, pull-ticket, raffle, consolidated, supplementary, assistance fund and building account financial reports). Ineligible uses include preparation of any other financial reports.

Administrative Costs

Administrative costs that are necessary to the delivery of a charitable or religious program or service are eligible uses of gaming proceeds. Approved administrative expenditures shall normally be limited to a maximum cumulative total of 10 per cent of gaming proceeds earned the previous calendar year. Ineligible uses include costs related to internal administrative activities of the group.

Assistance Fund

A fund may be established and administered by governing bodies of veterans and service groups to help member groups in financial difficulty.

Bursaries and Scholarships

Gaming proceeds may be donated to a legally established charitable trust fund whose purpose is to support educational bursaries or scholarships.

Debt Retirement

Gaming proceeds may be used to pay debt incurred in the delivery of a group's approved charitable or religious programs or services. Debt must be incurred as a result of mortgage payments for a public facility or inadvertent expenditures (e.g., emergency repairs to a public facility).

Donations within Alberta – $5,000 or less

Gaming proceeds may be donated to, or used in support of, charitable or religious groups within Alberta that actively deliver a program or service which provides a community benefit. The donor group must record all donations and the purpose of each donation on its gaming financial report. This policy was amended in June 2007 – prior to June, the policy applied to donations of $1,000 or less.

Donations within Alberta – in excess of $5,000

Gaming proceeds may be donated to, or used in support of, charitable or religious groups within Alberta that actively deliver a program or service which provides a community benefit. Prior approval of the AGLC is required and details of the donations, a statutory declaration and recipient agreement must be provided to the AGLC. This policy was amended in June 2007 – prior to June, the policy applied to donations in excess of $1,000.

Eligibility and Allowable Uses of Proceeds

ALLOWABLE USES OF PROCEEDS (CONTINUED)

Donations – Outside of Alberta but within Canada

Gaming proceeds may be donated to, or used in support of, charitable or religious groups outside of Alberta that actively deliver a program or service which provides a community benefit. These must be in support of disaster/emergency relief, nationally recognized charitable programs that benefit Albertans or medical and educational research programs that may potentially benefit all Canadians. The donation is limited to a maximum cumulative total of 75 per cent of gaming proceeds earned in the previous calendar year.

Donations – Outside of Canada

These donations can only be used for international disaster/emergency relief and projects in countries the AGLC considers as developing or underdeveloped and countries appearing on the Canadian International Development Agency (CIDA) list of countries or territories eligible for Canadian official development assistance. Other requirements or limitations may also apply. The donation is limited to a maximum cumulative total of 50 per cent of gaming proceeds earned in the previous calendar year.

Education

Gaming proceeds may be used for the costs of specific educational program(s) or support. This includes a specific educational experience for students which is not principally recreational or social and would otherwise be unavailable, as well as educational equipment and supplies (e.g., audio visual equipment, athletic equipment and musical instruments). Ineligible uses include operational or capital budgets of educational institutions or schools, such as employee salaries, wages, building additions and renovations.

Emergency Funds

Gaming proceeds may be used to provide relief for individuals or families in personal distress or who are victims of physical disaster. This may include equipment and supplies or the training of volunteers during emergency situations.

Endowment Funds

Gaming proceeds may be used to establish and/or donate to an endowment fund, whose purpose is to support approved charitable or religious purposes. Endowment fund contributions are limited to a maximum cumulative total of 50 per cent of the gaming proceeds earned in the previous year. An endowment fund is defined in AGLC policy as a fund where the principal is not normally disbursed and only the investment income, or a portion thereof, is expended.

ALLOWABLE USES OF PROCEEDS (CONTINUED)

Equipment

Gaming proceeds may be used to purchase or rent equipment if the equipment is essential to the delivery of the organization's charitable programs or services. Ownership of the items purchased must remain with the licensed group. Ineligible uses include equipment or supplies intended to produce income.

Facility

For groups that provide a public facility, gaming proceeds may be used for the capital, leasehold, rental and operating costs of the facility. This includes: fixtures and furnishings, mortgage, lease or rental payments, utilities, insurance (fire and liability), property taxes, janitorial costs and supplies, repairs and maintenance, and renovations.

Facility – Maximum 50%

For groups providing a facility with public access and areas for exclusive use of members and guests, up to 50 per cent of gaming proceeds may be used for the cost of the facility, which includes: fixtures and furnishings, mortgage, lease or rental payments, utilities, insurance (fire and liability), property taxes, janitorial costs and supplies, repairs and maintenance, and renovations. The remaining 50 per cent must be applied to other approved uses.

Officials/Judges Fees

Gaming proceeds may be used for fees for referees, umpires, adjudicators or other positions responsible for officiating or judging a competition (also see 'Sports' in this section).

Promotional Activities

Gaming proceeds may be used for promotional activities designed to increase public awareness and participation in charitable or religious programs. This includes advertising in newspapers, radio, television, posters, signs, pamphlets, letters and Internet web pages. Ineligible uses include advertising to attract new members, except for yearly membership drives of community and service clubs.

Registration/Affiliation Fees

Gaming proceeds may be used for registration fees/affiliation fees when related to a charitable or religious group's specific objective.

Eligibility and Allowable Uses of Proceeds

ALLOWABLE USES OF PROCEEDS (CONTINUED)

Rent

Gaming proceeds may be used for rent of a facility for ice rental, sports fields and stages for performing arts groups (also see 'Sports' and 'Facility' in this section).

Resource Materials

Gaming proceeds may be used for the design, printing, postage, and purchasing costs of resource materials, books, manuals and videos (also see 'Administrative Costs,' 'Education' and 'Promotional Activities' in this section).

Senior Citizen Activities

Gaming proceeds may be used to pay for approved expenditures related to the special needs of senior citizens. Senior citizens are defined in AGLC policy as those 60 years of age or older.

Sports

Gaming proceeds may be used to support eligible sports groups, such as rental fees of a facility or a venue for the group's sporting events. Gaming proceeds may be approved to purchase uniforms and equipment as long as these are required for the participation in the sport (see also 'Uniforms/Costumes' and 'Equipment' in this section). Groups may also use gaming proceeds to pay for the reasonable costs of certifying officials and judges in their sport, including training and education costs. Gaming proceeds may be used to pay for awards such as trophies, plaques and ribbons. Adult sports groups with a youth component must use at least 50 per cent of their gaming proceeds on their youth programs.

Travel in Alberta

Gaming proceeds can be used to pay travel expenses to conferences, seminars, workshops, clinics, meetings and conventions that are directly related to the group's charitable programs or services. Gaming proceeds can also be used for travel that enriches an educational institution or school's curriculum. Groups involved in activities such as music, dance and drama may use gaming proceeds for travel if the group is participating in a recognized and organized event, such as a competition or festival. Individuals and teams involved in structured and developmental amateur sports may be approved to use gaming proceeds to travel to organized, structured and sanctioned events. Ineligible uses include social or recreational travel or travel of an administrative nature.

Travel outside Alberta

Gaming proceeds may be used for travel required for a group to deliver its programs in Alberta as either a normal part of the group's activities, or an earned opportunity to go to a higher level of activity. Travel itineraries must be submitted for approval prior to the event.

ALLOWABLE USES OF PROCEEDS (CONTINUED)

Uniforms/Costumes

Gaming proceeds may be used to purchase or rent uniforms or costumes if they are essential to the delivery of the organization's charitable programs or services. Ownership of the items purchased must remain with the licensed group. Items of a personal, social or promotional nature may not be purchased.

Vehicle Purchase/Repairs/Operation

Gaming proceeds may be used to purchase or rent vehicles if these are essential to the delivery of the organization's charitable programs or services. The vehicles must be registered and insured in the name of the licensed group. Gaming proceeds may also be used for registration, insurance, repairs and operation.

Volunteer Conferences/Seminars/Training

Gaming proceeds may be used for events that are primarily organized for educational purposes related to a specific charitable program or service supported by the group or delivered in the community (also see 'Education' and 'Sports' in this section).

Volunteer Expenses

Gaming proceeds may be used to reimburse volunteers for approved expenses incurred while working a gaming event. Eligible volunteer expenses could include transportation costs to and from the gaming event via taxi or bus; or babysitting costs incurred by volunteers while working gaming events.

Wages, Salaries, Fees for Service, and Honorariums

Gaming proceeds may be used to pay salaries, wages, fees for service or honorariums only if the duties performed are essential to the group's program delivery, the duties are performed by a person with specialized qualifications and the duties cannot be reasonably performed by a volunteer.

First Nation Allowable Uses of Proceeds

FIRST NATION ALLOWABLE USES OF PROCEEDS

The Host First Nation Charitable Casino Policies Handbook sets out the allowable uses of proceeds for funds earned from First Nation casinos only. These uses of proceeds do not apply to First Nation charities who earn funds from bingo, raffle and pull-ticket gaming events.

Like traditional charities, all First Nation charitable gaming proceeds must be used to support charitable objectives and purposes. The majority of allowable uses of proceeds for First Nation charities are the same as the allowable uses of proceeds for traditional charities, contained in the Charitable Gaming Policies Handbook. Additional First Nation uses of proceeds were implemented to address the unique charitable and cultural needs of Alberta's First Nations. The overriding goal of Alberta's First Nation policies is to help improve the economic and social conditions within First Nation communities.

Administrative Costs

Administrative costs that are necessary to the delivery of a charitable or religious program or service are eligible uses of gaming proceeds. Proceeds may also be used to pay salaries, wages or honorariums of persons who complete administrative duties, for reasonable professional fees necessary for the administration of the licensed charity, and to hire a professional accountant to satisfy the financial reporting requirements of the AGLC. Approved administrative expenditures shall normally be limited to a maximum cumulative total of 10 per cent of gaming proceeds earned the previous calendar year.

Addictions Treatment

Gaming proceeds may be used to pay for the costs associated with treatment programs for alcohol, drug and gambling addictions of individuals of the Host First Nation community.

Aid of the Distressed

Gaming proceeds may be used to pay for the social services (counselling and/or information programs) and/or other educational programs which have identified specific issues of social concern in the Host First Nation community and actively work to address these issues. Gaming proceeds may be used to support programs that provide the necessities of life for those in distress.

Arts

Gaming proceeds may be used to support non-profit sub-charities that actively deliver an arts program or an activity to the Host First Nation community in the visual arts, the literary arts, the media arts, or the performing arts. Proceeds may also be used to pay for the development and operation of Host First Nation community facilities in which visual, literary, or performing arts activities are undertaken, as well as the production costs of performances or displays that are available to the Host First Nation community.

Bursaries and Scholarships

Gaming proceeds may be used for educational bursaries or scholarships which are made reasonably available to all qualified Host First Nation individuals.

FIRST NATION ALLOWABLE USES OF PROCEEDS (CONTINUED)

Children/Youth/Adults in Care

Gaming proceeds may be used to pay for social services and/or educational programs that deal with children, youth, or dependent adults in care and their families and which have identified specific issues of social concern in the Host First Nation community and which actively work to address these issues. The programs and/or services must be reasonably available to all Host First Nation children, youth and/or dependent adults in care, on or off-reserve, who qualify and wish to participate.

Community Safety Programs

Gaming proceeds may be used to improve the on-reserve safety of the Host First Nation community and to protect Host First Nation property by deterring or reducing undesirable activity such as drug use, public intoxication, vandalism, gang activity, and criminal offences. Gaming proceeds may not be used to pay for the provision of traditional and/or tribal police officers.

Cultural Events

Gaming proceeds may be used to pay for Host First Nation cultural events which preserve, promote or enhance Host First Nation heritage, traditions, First Nation languages or culture, such as Pow-wows, Treaty Days, Round Dances, Sun Dances, Feasts, Sweats, lodges, funerals, and memorials.

Debt Retirement

Gaming proceeds may be used to pay debt incurred in the delivery of the group's approved charitable or religious programs or services. All proposed debit financing or servicing must be approved by the AGLC prior to any payments being issued.

Donations within Alberta

Gaming proceeds may be donated to, or used in support of, charitable or religious groups within Alberta that actively deliver a program or service which provides a community benefit. The donor group must record all donations and the purpose of each donation on its gaming financial report. If the total annual donation to each charity is greater than $5,000, prior approval of the AGLC is required and details of the donations, a statutory declaration and recipient agreement must be provided to the AGLC. This policy was amended in June 2007 - prior to June, the policy applied to donations in excess of $1,000.

Donations – Outside of Alberta

Gaming proceeds may be donated to, or used in support of, charitable or religious groups outside of Alberta that actively deliver a program or service which provides a community benefit. For donations within Canada, the donation must be in support of disaster/emergency relief, a nationally recognized charitable programs that benefit Albertans or medical and educational research programs. For donations outside of Canada, the funds must be used to support international disaster/emergency relief and projects in countries that the AGLC considers developing or underdeveloped and countries appearing on the Canadian International Development Agency (CIDA) list of countries or territories eligible for Canadian official development assistance. The donation is limited to a maximum cumulative total of $100,000 or 5 per cent of proceeds earned by the licensed charity in the previous calendar year (whichever is less). The entire amount may be donated within Canada, however, only $50,000 or 2.5 per cent of proceeds earned in the previous year (whichever is less) may be donated outside of Canada. Prior approval of the AGLC is required for all donations outside of Alberta.

First Nation Allowable Uses of Proceeds

FIRST NATION ALLOWABLE USES OF PROCEEDS (CONTINUED)

Education

Gaming proceeds may be used for the costs of specific educational program(s) or support. This includes a specific educational experience for students which is not principally recreational or social and would otherwise be unavailable, as well as educational equipment and supplies (e.g., audio visual equipment, athletic equipment and musical instruments). Proceeds may also be used to pay for public or school bus transportation for students attending educational institutions or schools.

Elders

Gaming proceeds may be used to pay the costs incurred by Elders while performing charitable or religious activities. Eligible Elders' costs include: honorariums, fees, or gifts, ceremonial tobacco, direct-route travel to various events, meals while attending events, accommodation fees while attending events, and training costs of new Elders.

Emergency Funds

Gaming proceeds may be used to provide relief for individuals or families in personal distress or who are victims of physical disaster. This may include equipment and supplies or the training of volunteers during emergency situations.

Endowment Funds

Gaming proceeds may be used to establish and/or donate to an endowment fund, whose purpose is to support approved charitable or religious purposes. Endowment fund contributions are limited to a maximum cumulative total of 10 per cent of the gaming proceeds earned in the previous year. An endowment fund is defined in AGLC policy as a fund where the principal is not normally disbursed and only the investment income, or a portion thereof, is expended.

Equipment/Uniforms/First Nations Regalia/Vehicles

Gaming proceeds may be used to purchase or rent equipment, furnishings, uniforms, costumes, First Nations regalia and/or a vehicle if they are essential to the delivery of the licensed charity or sub-charity's charitable programs or services. Ownership of the items purchased must remain with the licensed group. Items of a personal, social or promotional nature may not be purchased.

In addition to the equipment and uniforms that all licensed charities may use proceeds on, First Nation charities may also use proceeds earned at First Nation casinos to purchase First Nations regalia which are essential to the delivery of the licensed charity's or sub-charity's charitable programs or services or for cultural events. Ownership of the items purchased must remain with the licensed charity or sub-charity. Items of a personal, social or promotional nature may not be purchased.

Facility

Gaming proceeds may be used for the capital, leasehold, rental and operating costs of a community, not for profit facility. This includes: fixtures and furnishings, mortgage, lease or rental payments, utilities, insurance (fire and liability), property taxes, janitorial costs and supplies, repairs and maintenance, and renovations.

FIRST NATION ALLOWABLE USES OF PROCEEDS (CONTINUED)

Historical Resources

Gaming proceeds may be used to pay for public programs and activities which provide the Host First Nation community access to historical resources, such as historical book committees. Gaming proceeds may be used to pay for the development and operation of facilities which provide access to historical resources and are open to the Host First Nation community. Proceeds may not be used to pay for activities which primarily involve the social, recreational, hobby, commercial or professional interests of its members.

Housing and Infrastructure

Gaming proceeds may be used to pay for on-reserve housing projects, the maintenance/repair/renovation of existing housing and on-reserve infrastructure (electricity, sewage disposal, water treatment, roads, and gas lines) needs.

Life Skills Training

Gaming proceeds may be used to pay for life skills programs of all individuals of the Host First Nation community. Eligible life skills program costs include: instructor fees, facility rental fees, and classroom equipment and supplies. Programs may include: behavioural counselling, communication skills, human relations training, contingency management, employment counselling, parenting skills, and budgeting/financial skills.

Medical/Health Aid and Relief

A Medical/Health Fund may be established or gaming proceeds may be used to supplement the cost of/or pay for medical/health aids, programs and treatments of individuals of the Host First Nation community. A Medical/Health fund may be used to pay for: vision coverage, dental coverage, prescribed drugs, required aids to daily living (e.g., hearing aids, walkers, etc.), transportation costs to medical/health appointments, and traditional healing. The maximum amount of proceeds that may be contributed to this Fund on an annual basis is normally $100,000.

Nature Conservation

Gaming proceeds may be used to pay for educational programs which promote nature conservation in the Host First Nation community. Proceeds may be used to pay for the development and operation of facilities which preserve, restore and improve wildlife and its habitat, as well as for the treatment of injured or damaged domesticated or wild animals, birds, insects or plants. Proceeds may not be used to pay for the treatment, support, breeding or promotion of animals, birds, insects or plants for commercial profit or for any costs associated with commercial activities such as the trapping or camping industry.

Promotional Activities

Gaming proceeds may be used for promotional activities designed to increase Host First Nation awareness and participation in Host First Nation charitable or religious programs. This includes advertising in newspapers, radio, television, posters, signs, pamphlets, letters and Internet web pages.

First Nation Allowable Uses of Proceeds

FIRST NATION ALLOWABLE USES OF PROCEEDS (CONTINUED)

Religion

Gaming proceeds may be used to pay for educational programs which further religious principles or objectives. Proceeds may be used to pay for the development and operation of places of worship which offer regular services and are open to all members of the Host First Nation community.

Senior Citizens

Gaming proceeds may be used to pay for approved expenditures related to the special needs of senior citizens, including paying for entertainment, recreational and social programs provided to senior citizens, and for the development and operation of facilities in which all seniors in the Host First Nation community have reasonable access. Senior citizens are defined in AGLC policy as those 60 years of age or older.

Sports

Gaming proceeds may be used to support eligible sports groups, such as rental fees of a facility or a venue for the group's sporting events. Gaming proceeds may be approved to purchase uniforms and equipment as long as these are required for the participation in the sport. Groups may also use gaming proceeds to pay for the reasonable costs of certifying officials and judges in their sport, including training and education costs. Gaming proceeds may be used to pay for awards such as trophies, plaques and ribbons. Adult sports groups with a youth component must use at least 50 per cent of their gaming proceeds on their youth programs.

Travel

Gaming proceeds can be used to pay travel expenses to conferences, seminars, workshops, clinics, meetings and conventions that are directly related to the group's charitable programs or services. Gaming proceeds can also be used for travel that enriches an educational institution or school's curriculum. Gaming proceeds may be used to pay for the travel expenses of Sub-charities involved in activities such as music, dance and drama if the travel is a requirement of the Sub-charity's programs or the Sub-charity is participating in a recognized and organized event, such as a competition or festival. Individuals and teams involved in structured and developmental amateur sports may be approved to use gaming proceeds to travel to organized, structured and sanctioned events. Approval must be granted prior to gaming proceeds being spent on travel outside of Alberta.

Wages, Salaries, Fees for Service, and Honorariums

Gaming proceeds may be used to pay salaries, wages, fees for service or honorariums only if the duties performed are essential to the licensed charity's program delivery, the duties are performed by a person with specialized qualifications and the duties cannot be reasonably performed by a volunteer.

Use of Charitable Gaming Proceeds by Charitable Groups

The proceeds from Charitable Gaming help support thousands of programs and services provided by charities to their communities. These proceeds are earned by groups that conduct the gaming activities.

The following table summarizes how charitable and religious groups used the proceeds from gaming activities in 2005-06, 2004-05, and 2003-04. As charities generally have up to two years to use the funds they earned from gaming events, the proceeds reported in the table below will not equal the proceeds received by charities in those years.

Since charities report on their use of proceeds on an ongoing basis, complete data for 2006-07 is not yet available. Data for 2006-07 will be reported on in the 2007-08 Charitable Gaming in Review report.

Use of Charitable Gaming Proceeds by Charitable Groups (thousands of dollars)

	2005-06	2004-05	2003-04
Facilities	51,808	63,215	54,140
Donations within Alberta	23,491	24,654	23,926
Equipment/Uniforms/Vehicles	22,737	29,537	27,827
Wages, Salaries, Fees for Service and Honorariums	15,774	19,742	15,118
Program Support/Development	13,657	20,362	16,995
Administrative Costs	13,110	14,522	15,152
Travel	9,064	12,917	10,594
Education	6,020	11,579	4,610
Sports	3,531	4,453	3,224
Donations outside of Alberta	3,249	1,338	3,081
Bursaries and Scholarships	1,988	2,567	2,712
Promotional Activities	1,870	2,518	2,035
Research	1,843	2,967	1,868
Youth Development	1,677	2,690	2,140
Volunteer Expenses	1,190	1,953	2,005
Senior Citizen Activities	860	1,050	1,268
Debt Retirement	162	269	83
	172,031	**216,333**	**186,778**

Becoming a Charitable Gaming Licensee

If your group is interested in charitable gaming and, if your group meets the qualification requirements, your first step is to apply for a charitable gaming licence. Charitable gaming licence forms are available on the AGLC website at **www.aglc.gov.ab.ca** or you can obtain licence forms by calling the AGLC toll-free at 310-0000.

A separate application form must be completed for each licence (bingo, casino, raffle or pull-ticket) and supporting documents must be attached. Once complete, forms should be sent to:

Alberta Gaming and Liquor Commission
Regulatory Division
50 Corriveau Avenue
St. Albert, Alberta T8N 3T5

Application forms can also be faxed to the AGLC at (780) 447-8912.

Once the AGLC receives the application, it will review the information to determine if your group is eligible for a charitable gaming licence. The eligibility of all applicants is based on the eligibility criteria for organizational structure, program delivery and use of gaming proceeds as outlined in the Charitable Gaming Policies Handbook.

If your group's eligibility cannot be determined by a review of the information contained in the submitted application, additional information may be requested and/or an AGLC inspector may meet with representatives of the applicant and conduct other inquiries to complete a more detailed eligibility review.

The AGLC works to review and process all applications for licence within 12 weeks of receipt of a complete application. Processing applications and determining eligibility may take longer if the submitted application information is incomplete or a more detailed eligibility review is required to determine eligibility.

If you obtain your licence and become a charitable gaming licensee, you will receive an information package from the AGLC. Licensing Support staff will also provide information that will help you conduct your event in accordance with terms and conditions.

Once you have held your event, you must deposit the gaming proceeds into a separate gaming account. You may consolidate all gaming proceeds into a single account if you conduct more than one type of event (e.g., bingo and casino).

You may use the gaming proceeds only for uses approved in your application. If you wish to use gaming proceeds for other purposes, you must obtain AGLC approval. You have two years to use gaming proceeds from the time you receive the funds.

Financial reporting is required for every gaming licence. All records must be kept for a period of two years after the licence expires. More information about financial reporting is available on the AGLC website at **www.aglc.gov.ab.ca**.

Protecting Gaming Integrity and Accountability

Albertans expect the AGLC to maintain the integrity and accountability of gaming in the province — and legislation requires us to do so. The AGLC works with charitable groups and the gaming industry to ensure that everyone who participates in a licensed gaming event has a fair chance to win. We also make sure the proceeds from charitable gaming benefit the community. Regulation and financial reporting requirements are key to the success of our charitable gaming model.

Regulation

All gaming activities must comply with the *Criminal Code*, the *Gaming and Liquor Act*, the Gaming and Liquor Regulation, and AGLC policies.

AGLC inspectors visit gaming sites and do random checks of activities to ensure that rules are being followed. (If you meet an inspector during your event, it's a great opportunity to ask questions about the legislation, regulation or policies!) If the rules are not being followed, the inspector prepares a report and informs the group. Disciplinary action by the Board of the AGLC may take place — ranging from warnings to suspension or removal of licences.

The AGLC also monitors the gaming industry and charitable gaming licensees to help maintain financial integrity. Audits help ensure that gaming proceeds are used for approved purposes and that gaming operations and record-keeping processes comply with legislative and policy requirements.

Reporting Financial Returns

As a licensed charity, groups are required to report to the AGLC how gaming proceeds have been used. A separate financial report is required for each licence. Groups must account for the proceeds as well as interest, dividends and other income earned on the proceeds.

The AGLC mails financial reports to each charity, which the group must return within 60 days from the date of mailing.

Gaming proceeds must be used within two years after the proceeds are obtained. Any extension of this period must be approved in advance by the AGLC.

If a charity wants to use the proceeds for purposes other than those in its original application, the charity is required to obtain the approval of the AGLC before it spends the proceeds for the new purposes. The reason for this is to ensure that the proposed new use of funds is in accordance with the *Criminal Code* and reflects a use that is charitable or religious in nature. If gaming proceeds are used for unapproved purposes, the AGLC will investigate and may initiate an audit of the group.

Gaming Information for Charitable Groups (GAIN)

Need more information? Want an opportunity to ask questions? The AGLC offers **free** information sessions for volunteers of charitable or religious groups through the GAIN program.

The information session covers:

- Legislative and regulatory requirements of charitable gaming in Alberta,
- Eligibility for gaming licences,
- The licensing application process,
- Eligible use of proceeds,
- Requirements to hold a charitable gaming event, and
- Financial reporting requirements after the gaming event.

By the end of the session, participants are up-to-date on the rules for charitable gaming and take away a comprehensive resource manual for further reference.

There are three types of GAIN sessions:

- Overview of charitable gaming licensing;
- Use of gaming proceeds;
- Special session, upon request.

In 2006-07, the program introduced a GAIN session to accommodate the needs of Host First Nations for gaming information.

The GAIN program is very popular. During 2006-07, the AGLC delivered 233 GAIN sessions to more than 3,400 participants in 70 communities throughout Alberta. To date, more than 16,800 participants have accessed gaming information through the GAIN program.

For contact information about the GAIN program, phone (780) 447-7499, 1-866-307-7499 or dial 310-0000 for toll-free access, or see our website at **www.aglc.gov.ab.ca**.

What participants are saying about the GAIN program:

- *The session was very informative! Many questions answered (many questions I hadn't thought of). Session was very much appreciated and I will be recommending it to many people. Thanks! - Peace River Use of Proceeds participant*
- *As the new President of our society it was an excellent overview of policies, use of proceeds, forms. I will recommend this course for future Presidents. Thank you! - Calgary GAIN participant*

PROCEEDS

By Charitable Gaming Activity

2007

Proceeds by Charitable Gaming Activity

Gaming Licences in Effect and Associated Proceeds

A summary of the number of licences in effect in 2006-07 to hold events and the proceeds to charities from charitable gaming activities is:

	Licences	Total Gross ($000)	Prizes/ Winnings ($000)	% of Gross	Expenses ($000)	% of Gross	Electronic Proceeds ($000)**	Keno Proceeds ($000)***	Proceeds to Charity ($000)
2006-07									
Bingos	2,189	225,861	144,496	64.0	57,161	25.3	5,410	497	30,111
Casinos	3,303	860,864	697,975	81.1	104,772	12.2	140,048	23	198,188
Pull-Tickets	622	36,863	26,886	72.9	2,404	6.5			7,573
Raffles*	349	93,311	38,007	40.7	20,745	22.2			34,559
	6,463	**1,216,899**	**907,364**	**74.6**	**185,082**	**15.2**	**145,458**	**520**	**270,431**
2005-06									
Bingos	2,329	237,205	151,379	63.9	55,621	23.4	3,905	429	34,539
Casinos	2,968	752,432	607,858	80.8	93,175	12.4	120,609	13	172,021
Pull-Tickets	640	35,075	25,689	73.2	2,172	6.2			7,214
Raffles*	306	98,469	41,569	42.2	22,382	22.7			34,518
	6,243	**1,123,181**	**826,495**	**73.6**	**173,350**	**15.4**	**124,514**	**442**	**248,292**
2004-05									
Bingos	2,201	257,377	163,553	63.5	55,999	21.8	2,390	422	40,637
Casinos	2,893	662,767	529,938	80.0	92,851	14.0	107,164		147,142
Pull-Tickets	743	42,867	31,714	74.0	2,868	6.7			8,285
Raffles*	321	113,567	44,879	39.5	26,803	23.6			41,885
	6,158	**1,076,578**	**770,084**	**71.5**	**178,521**	**16.6**	**109,554**	**422**	**237,949**

* Does not include raffles under $10,000
** Electronic proceeds represent commissions paid to charities and proceeds from electronic bingo distributed through the Alberta Lottery Fund.
*** Keno proceeds include commissions to charities and proceeds distributed through the Alberta Lottery Fund.

A summary of the licences and events, as well as net proceeds to charities, by Major Centre is:

	Licences	Total Gross ($000)	Prizes/ Winnings ($000)	Expenses ($000)	Electronic Proceeds ($000)**	Keno Proceeds ($000)***	Proceeds to Charity ($000)
2006-07*							
Calgary	1,468	534,901	400,073	78,116	55,948	187	112,847
Edmonton	1,471	393,395	299,891	56,478	41,914	114	79,054
Fort McMurray	252	23,983	18,243	3,850	8,679	3	10,572
Grande Prairie	255	29,844	20,958	6,275	8,718	3	11,332
Lethbridge	278	29,385	21,280	5,407	5,775	16	8,489
Medicine Hat	270	19,541	13,297	4,282	4,811	23	6,796
Red Deer	489	48,294	36,406	10,121	9,366	38	11,171
St. Albert	335	19,517	14,980	3,490	4,581	9	5,637
Other Locations	1,645	118,039	82,236	17,063	5,666	127	24,533
	6,463	**1,216,899**	**907,364**	**185,082**	**145,458**	**520**	**270,431**

* Does not include raffles under $10,000
** Electronic proceeds represent commissions paid to charities and proceeds from electronic bingo distributed through the Alberta Lottery Fund.
*** Keno proceeds include commissions to charities and proceeds distributed through the Alberta Lottery Fund.

Proceeds by Licence Category (millions of dollars)

Categories of Charitable Groups	Proceeds earned in 2006-07	Proceeds earned in 2005-06
Sports Groups • competitive amateur sports such as minor hockey and swimming	**54**	49
Education Groups • purchase of special learning or athletic equipment	**34**	31
Veterans, Service & Fraternal Groups • veteran, fraternal, service and other organizations established by a statute or international/national charter	**29**	31
Fundraising Groups • groups such as foundations and 'friends of' groups formed to support charitable work	**21**	20
Community Leagues/Associations • groups incorporated as community leagues or associations	**20**	19
Arts Groups • performing, visual and literary arts, including art galleries, dance, choral, theatre, marching and school bands	**19**	16
Ethno-Cultural Groups • offering educational or cultural programs/activities to preserve or enhance heritage, traditions and culture	**18**	13
Aid of the Distressed • groups addressing specific social issues by providing a social service or education program	**17**	15
Medical/Health Aid & Relief Groups • groups helping those with a specific physical or mental disorder	**13**	10
Agricultural Fair or Exhibition • annual fairs, exhibitions, rodeo or chuckwagon events registered under the Alberta Societies Act or Agricultural Societies Act	**8**	8
Senior Citizens Groups • organizations with a majority membership of 60 years of age and older	**7**	6
Religious Groups • churches, parishes, temples, synagogues, and auxiliary groups supporting religious activities	**5**	5
Youth Groups • organizations providing programming for young people	**5**	6
Children's Groups • groups addressing specific issues of social concern related to children	**4**	2
Historical Resource Groups • activities that provide the public with access to historical resources	**4**	4
Nature Conservation • promoting nature conservation through educational programs or the operation of public facilities	**4**	3
Associations of Employees/Occupations/Professions • groups with a primary purpose to provide charitable programs or services that benefit the community	**3**	4
Hobby/Social Groups • education and information programs for members of the public	**3**	4
Other	**2**	2
	270	248

Bingo

HIGHLIGHTS

In 2006-07, 37,567 bingo events were held in communities across the province. These events generated gross revenues of $225.9 million. Of this amount, $144.5 million was returned to bingo players as prizes. An additional $57.2 million was spent by charities for expenses, so net proceeds to the charities from bingo events amounted to $24.2 million. However, with the addition of $5.9 million from electronic bingo and Keno, charities received a combined total of $30.1 million. Approximately 90 per cent of bingo proceeds in Alberta were generated in licensed bingo facilities (association bingo halls and private operator bingo halls).

OVERVIEW

Bingo may be conducted in three types of facilities in Alberta.

Association Bingo Hall (Class A Licence)

This category is for a facility licence to an association made up of member charities who are eligible for a bingo licence. The facility operates at least four days a week. The association coordinates bingos for its members.

Licensed charities in bingo association halls may be approved to sell pull-tickets or offer electronic bingo or Keno. Electronic bingo allows players to play their bingo game electronically. Keno is a provincial lottery ticket product with draws held every five minutes. Minors are not allowed in halls offering electronic bingo or Keno.

The licensed charities provide volunteers for key financial positions during the bingo, including bingo chairperson, paymaster, bonanza controller and special games controller. The following are usually paid positions at association halls: caller, hall advisor, cashier, hall manager, pull-ticket manager and bookkeeper.

Bingo associations pool bingo proceeds monthly and allocate the proceeds among member charities according to the number of events per charity. Each association, through a pool agreement signed by all members, may decide to establish one pool for all events or separate pools for morning, afternoon, evening and late night events. Proceeds from pull-ticket sales are pooled quarterly. There were 43 bingo association halls in the province as of March 31, 2007.

Groups interested in joining a bingo association contact the AGLC to be placed on a central registry waiting list for their region. Bingo associations seeking new members will contact the AGLC for names of interested charities.

Private Operator Bingo Facilities (Class B Licence)

A private operator bingo facility is a bingo hall that is being operated by a private operator in conjunction with a bingo society.

In October 2003, the Bingo Terms & Conditions and Operating Guidelines were amended to allow private operators to operate bingo halls. In keeping with Alberta's charitable gaming model, bingo events held in Class B facilities must be conducted and managed by licensed charities. Like licensed charities in association bingo halls, licensed charities conducting bingo events in private operator halls may be approved to sell pull-tickets or offer electronic bingo or Keno. Minors are not allowed in halls offering electronic bingo or Keno.

2006-07 marked the first full year of operation for Grande Bingo, the province's first Class B bingo facility. The Grande Bingo and Entertainment Centre officially opened in March 2006. It provides a state-of-the-art entertainment experience in Grande Prairie. As part of an expanded product offering, patrons of the Grande Bingo Hall may play paper bingo, electronic bingo, enjoy dinner from a full service concession, or purchase a drink from the bar.

The licensed charities provide volunteers for key financial positions during the bingo, including bingo chairperson, paymaster, bonanza controller and special games controller. The following are usually paid positions of the Class B Operator: games manager, caller, cashier, hall manager, pull-ticket manager. Additionally, the licensed charity employs an Independent Hall Advisor to assist with the conduct of the bingo event.

Bingo societies pool bingo proceeds monthly and allocate the proceeds among member charities according to the number of events per charity. Each society, through a pool agreement signed by all members, must establish one pool for all events.

Community Bingo Hall

This category includes bingos held three times per week or less at small community halls, seniors' centres or church halls. Unlike association bingo, bingos conducted in a community hall are generally conducted by a single charity, so the charity earns all the proceeds from the event. Key positions filled by volunteers include bingo chairperson, bonanza/special games controller and paymaster. Community bingo licensees may pay a caller and a cashier. There were 329 community bingo licensees in 2006-07.

Satellite Bingo

Alberta Satellite Bingo broadcasts live bingo games to 44 licensed bingo facilities across the province. Additionally, the games are broadcast to many community bingo facilities. Three games per day are broadcast — afternoon, evening and late night. Satellite bingo players across the province compete for significant prizes. The largest single prize ever won was $252,743.

Bingo

Bingo Proceeds Summary

2006-07	Licences	Events	Total Gross ($000)	Prizes/ Winnings ($000)	% of Gross	Expenses ($000)	% of Gross	Electronic Proceeds ($000)*	Keno ($000)**	Proceeds to Charity ($000)
Calgary									176	176
Regular	239	7,113	31,946	19,866	62.2	10,465	32.8			1,615
Electronic			10,555	6,368	60.3	3,559	33.7	1,877		2,505
Satellite			5,929	2,967	50.0	603	10.2			2,359
Edmonton									113	113
Regular	537	8,518	39,201	25,962	66.2	12,580	32.1			659
Electronic			11,431	8,015	70.1	2,904	25.4	1,578		2,090
Satellite			7,388	3,697	50.0	755	10.2			2,936
All Other Locations									208	208
Regular	1,413	21,936	92,083	62,324	67.7	21,187	23.0			8,572
Electronic			11,488	7,372	64.2	3,499	30.5	1,955		2,572
Satellite			15,840	7,925	50.0	1,609	10.2			6,306
	2,189	**37,567**	**225,861**	**144,496**	**64.0**	**57,161**	**25.3**	**5,410**	**497**	**30,111**

* Electronic proceeds represent proceeds distributed through the Alberta Lottery Fund.
** Keno proceeds include commissions to charities and proceeds distributed through the Alberta Lottery Fund.

2005-06	Licences	Events	Total Gross ($000)	Prizes/ Winnings ($000)	% of Gross	Expenses ($000)	% of Gross	Electronic Proceeds ($000)*	Keno ($000)**	Proceeds to Charity ($000)
Calgary									153	153
Regular	263	7,154	32,525	20,015	61.5	10,384	31.9			2,126
Electronic			9,269	5,510	59.4	3,195	34.5	1,537		2,101
Satellite			6,098	3,050	50.0	579	9.5			2,469
Edmonton									140	140
Regular	618	9,999	49,115	32,543	66.3	14,797	30.1			1,775
Electronic			10,300	7,321	71.1	2,532	24.6	1,249		1,696
Satellite			8,632	4,319	50.0	819	9.5			3,494
All Other Locations									136	136
Regular	1,448	21,906	96,219	64,633	67.2	19,351	20.1			12,235
Electronic			8,581	5,754	67.1	2,403	28.0	1,119		1,543
Satellite			16,466	8,234	50.0	1,561	9.5			6,671
	2,329	**39,059**	**237,205**	**151,379**	**63.8**	**55,621**	**23.4**	**3,905**	**429**	**34,539**

* Electronic proceeds represent proceeds distributed through the Alberta Lottery Fund.
** Keno proceeds include commissions to charities and proceeds distributed through the Alberta Lottery Fund.

2004-05	Licences	Events	Total Gross ($000)	Prizes/ Winnings ($000)	% of Gross	Expenses ($000)	% of Gross	Electronic Proceeds ($000)*	Keno ($000)**	Proceeds to Charity ($000)
Calgary									147	147
Regular	284	6,915	36,003	22,196	61.7	10,659	29.6			3,148
Electronic			7,470	4,260	57.0	2,733	36.6	1,010		1,487
Satellite			6,562	3,282	50.0	623	9.5			2,657
Edmonton									154	154
Regular	615	10,979	63,387	41,242	65.1	15,891	25.1			6,254
Electronic			8,191	5,842	71.3	2,100	25.6	814		1,063
Satellite			10,721	5,361	50.0	1,018	9.5			4,342
All Other Locations									121	121
Regular	1,302	19,767	101,257	68,076	67.2	19,844	19.6			13,337
Electronic			6,197	4,499	72.6	1,460	23.6	566		804
Satellite			17,589	8,795	50.0	1,671	9.5			7,123
	2,201	**37,661**	**257,377**	**163,553**	**63.5**	**55,999**	**21.8**	**2,390**	**422**	**40,637**

* Electronic proceeds represent proceeds distributed through the Alberta Lottery Fund.
** Keno proceeds include commissions to charities and proceeds distributed through the Alberta Lottery Fund.

Since its launch in 2003, almost $18 million has been returned to licensed charities from electronic bingo

Casino Events

HIGHLIGHTS

In 2006-07, there were 3,303 casino events held in Alberta. Casino table games generated gross revenues of $860.9 million and returned $698.0 million in prizes to players. Charities paid $104.8 million in expenses to casino facility operators, advisors, trustees and others for their services related to table games. Charities received $58.2 million from casino table gaming. An additional $140.0 million from slot machines was provided to charities, for a total of $198.2 million.

OVERVIEW

In Alberta, casino gaming is conducted in traditional casinos and First Nation casinos and includes table games and slot machines.

The 19 permanent casino facilities in the province are licensed by the AGLC, consisting of 18 traditional casinos and one First Nation casino.

Traditional Casino

In traditional casinos, the casino operator provides the facility, gaming expertise and gaming materials for the event. Charities require a licence from the AGLC to conduct the casino event. Generally, a casino event hosted by a charity runs for two days.

The charity provides volunteers for key financial positions during the event and earns proceeds from the table games. The volunteer positions are: general manager, banker, cashier, count room supervisor, chip runner and count room staff (counter, sorters, amalgamator). The casino facility provides a casino games manager who is directly responsible to the charity's general manager. The casino games manager supervises the games area in the casino and ensures that activities follow the Casino Terms & Conditions and Operating Guidelines. Licensed charities also hire independent casino advisors to help them with their event.

Volunteers have no direct role in the operation of slot machines during the casino. The *Criminal Code* requires a provincial authority, i.e., the AGLC, to manage electronic gaming devices. Proceeds from slot machines are pooled and a portion is shared among the participating charities. A charity will receive a 15 per cent commission on net sales from slot machines during its casino event. The facility operator also earns a 15 per cent commission, and the remaining 70 per cent is returned to the Alberta Lottery Fund after AGLC's operating costs are deducted. For more information about the Alberta Lottery Fund, see **www.albertalotteryfund.ca**.

Charities are required to hold casino events in a facility within their designated region in the province. For example, only licensed charities in Edmonton and Calgary and charities that operate province-wide may hold casinos in those cities. A charity in a rural area may only conduct events at the nearest regional casino facility.

The only exception is the Silver Dollar Casino in Calgary, which serves charities in nearby rural communities. All proceeds from charitable casino events, including slot machine net proceeds, are pooled quarterly by region and divided among the charities involved during the time period.

First Nation Casino

The Host First Nation (HFN) is the casino facility operator and provides the facility, gaming expertise and gaming materials for the event. The HFN licensed charity also requires a licence from the AGLC to conduct the casino event. Generally, HFN licensed charities are issued a licence for 364 one-day casino events. The HFN and the HFN licensed charity are two separate and distinct organizations.

Proceeds from First Nation casinos support charitable and religious purposes in the HFN community. HFN licensed charities may provide proceeds to sub-charities, if the sub-charity's proposed use of proceeds comply with the policies set out in the Host First Nation Charitable Casino Policies Handbook.

The HFN licensed charity must utilize paid charity workers in the following positions: general manager, banker, cashier, count room supervisor, chip runner and count room staff (counter, sorters, recorder, amalgamator). The HFN (casino facility operator) provides a casino games manager who is directly responsible to the charity's general manager. The casino games manager supervises the games area in the casino and ensures that activities follow the Casino Terms & Conditions and Operating Guidelines and the Host First Nation Charitable Casino Policies Handbook. The HFN licensed charity hires independent casino advisors to help it with its events.

Charity workers have no direct role in the operation of slot machines during the casino. The *Criminal Code* requires a provincial authority, i.e., the AGLC, to manage electronic gaming devices. A portion of the proceeds from slot machines are returned to the HFN licensed charity. The HFN licensed charity receives a 15 per cent commission on net sales from slot machines during its events. The HFN (casino facility operator) also earns a 15 per cent commission. The remaining 70 per cent is returned to the Alberta Lottery Fund after the AGLC's operating costs are deducted. For more information about the Alberta Lottery Fund, see **www.albertalotteryfund.ca**.

Traditional and First Nation Casino Event Proceeds Summary

	Licences	Total Gross ($000)	Prizes/ Winnings ($000)	% of Gross	Expenses ($000)	% of Gross	Electronic Proceeds ($000)*	Keno ($000)*	Proceeds to Charity ($000)
2006-07									
Calgary	1,084	430,436	346,932	80.6	51,355	11.9	54,071	11	86,231
Edmonton	796	295,840	243,508	82.3	32,296	10.9	40,336	1	60,373
All Other Locations	1,423	134,588	107,535	79.9	21,121	15.7	45,641	11	51,584
	3,303	**860,864**	**697,975**	**81.1**	**104,772**	**12.2**	**140,048**	**23**	**198,188**
2005-06									
Calgary	968	351,483	280,829	79.9	43,099	12.3	43,261	8	70,824
Edmonton	732	307,372	253,723	82.5	32,686	10.6	39,688	0	60,651
All Other Locations	1,268	93,577	73,306	78.3	17,390	18.6	37,660	5	40,546
	2,968	**752,432**	**607,858**	**80.8**	**93,175**	**12.4**	**120,609**	**13**	**172,021**
2004-05									
Calgary	898	308,821	248,534	80.5	40,625	13.2	35,100	-	54,762
Edmonton	729	269,468	216,951	80.5	36,001	13.4	39,473	-	55,989
All Other Locations	1,266	84,478	64,453	76.3	16,225	19.2	32,591	-	36,391
	2,893	**662,767**	**529,938**	**80.0**	**92,851**	**14.0**	**107,164**	**-**	**147,142**

* Electronic proceeds and Keno are the commissions paid to charities.

Pull-Tickets

HIGHLIGHTS

Gross sales from pull-tickets generated $36.9 million in 2006-07 and returned $26.9 million in prizes to players. Charities paid $2.4 million in expenses, and earned $7.6 million in proceeds.

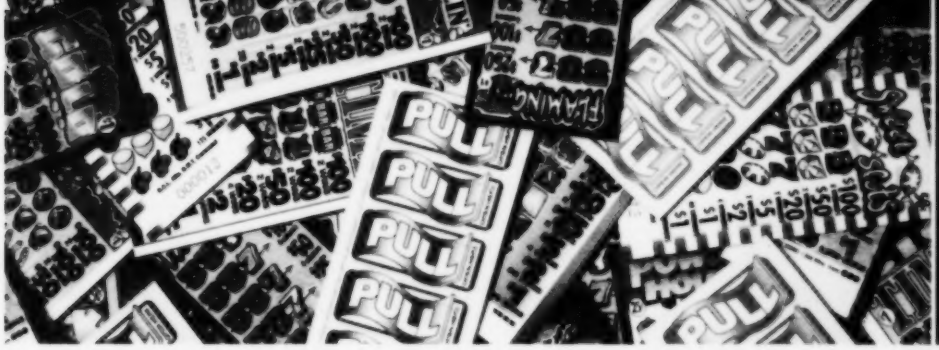
OVERVIEW

Pull-tickets - also called Nevada or break-open tickets — are a type of instant-win ticket. They have sealed windows or pull-tabs that open to reveal symbols, letters or numbers that correspond with a specific prize.

Generally, groups licensed to sell pull-tickets must sell them from the premises where they provide services to the community in order to ensure that the charity carefully controls sales and protects ticket security. Because of this requirement, usually veteran, fraternal, sport and community associations are eligible to sell pull-tickets, although the AGLC also allows charities to sell pull-tickets from their program kiosks at shopping malls.

The charity must arrange to buy its pull-tickets from a supplier registered with the AGLC. Tickets can only be sold by the charity and its volunteers.

Charities conducting events at licensed bingo halls can also sell pull-tickets at their bingo halls. In this case, the proceeds are pooled quarterly and allocated among the charities conducting bingo events during the period.



Pull-Ticket Proceeds Summary

	Licences	Units Sold	Total Gross ($000)	Prizes/ Winnings ($000)	% of Gross	Expenses ($000)	% of Gross	Proceeds to Charity ($000)	% of Gross
2006-07									
Calgary	77	5,825	11,071	8,116	73.3	751	6.8	2,204	19.9
Edmonton	69	2,177	4,612	3,333	72.3	240	5.2	1,039	22.5
All Other Locations	476	12,866	21,180	15,437	72.8	1,413	6.7	4,330	20.5
	622	**20,868**	**36,863**	**26,886**	**72.9**	**2,404**	**6.5**	**7,573**	**20.6**
2005-06									
Calgary	68	5,254	9,736	7,143	73.4	564	5.8	2,029	20.8
Edmonton	68	2,183	3,834	2,795	72.9	244	6.4	795	20.7
All Other Locations	504	13,388	21,505	15,751	73.2	1,364	6.3	4,390	20.5
	640	**20,825**	**35,075**	**25,689**	**73.2**	**2,172**	**6.2**	**7,214**	**20.6**
2004-05									
Calgary	80	7,034	12,706	9,488	74.7	870	6.8	2,348	18.5
Edmonton	117	3,696	6,492	4,758	73.3	393	6.1	1,341	20.6
All Other Locations	546	15,258	23,669	17,468	73.8	1,605	6.8	4,596	19.4
	743	**25,988**	**42,867**	**31,714**	**74.0**	**2,868**	**6.7**	**8,285**	**19.3**

Over the years the maximum prizes for individual winning pull-tickets have steadily increased. The current maximum is $1,000.

Raffles

HIGHLIGHTS

In 2006-07, there were 349 raffle licences sold with a total ticket value of more than $10,000. These raffles generated $93.3 million in gross sales and returned $38.0 million in prizes to players. Charities paid $20.7 million in expenses and earned $34.6 million in proceeds from these raffles.

OVERVIEW

A raffle is a kind of lottery where prizes are awarded based on a random draw of tickets purchased by players. Prizes for raffles must be at least 20 per cent and expenses no more than 30 per cent of the total ticket value. Only approved expenses required to conduct the raffle may be deducted. Only licensed charitable or religious groups can conduct raffles. Examples of raffles are: 50/50 draws, home lotteries, car and cash raffles, and sports raffles such as hockey pools.

There are two types of licences: one for raffles with a total ticket value greater than $10,000, and one for raffles under $10,000. Eligibility for both types of raffle licences is determined by the AGLC. The AGLC issues licences for raffles with the larger ticket value, while Alberta Registry agents issue licences for the smaller amounts. Charities must still be registered with the AGLC for both kinds of raffles.

Raffle licensees with gross sales under $10,000 now have the option of submitting their financial reports online!

Raffle Proceeds Summary

	Licences	Total Gross ($000)	Prizes/ Winnings ($000)	% of Gross	Expenses ($000)	% of Gross	Proceeds to Charity ($000)	% of Gross
2006-07*								
Calgary	68	44,964	15,824	35.2	11,383	25.3	17,757	39.5
Edmonton	69	34,923	15,376	44.0	7,703	22.1	11,844	33.9
All Other Locations	212	13,424	6,807	50.7	1,659	12.4	4,958	36.9
	349	**93,311**	**38,007**	**40.7**	**20,745**	**22.2**	**34,559**	**37.0**
2005-06*								
Calgary	68	37,499	16,047	42.8	10,167	27.1	11,285	30.1
Edmonton	68	43,504	16,780	38.6	9,369	21.5	17,355	39.9
All Other Locations	170	17,466	8,742	50.0	2,846	16.3	5,878	33.7
	306	**98,469**	**41,569**	**42.2**	**22,382**	**22.7**	**34,518**	**35.1**
2004-05*								
Calgary	67	47,154	17,312	36.7	11,300	24.0	18,542	39.3
Edmonton	77	51,627	20,084	38.9	13,248	25.7	18,295	35.4
All Other Locations	177	14,786	7,483	50.6	2,255	15.3	5,048	34.1
	321	**113,567**	**44,879**	**39.5**	**26,803**	**23.6**	**41,885**	**36.9**

* Data from raffles under $10,000 are not included in the tables

A 50/50 draw is a raffle and requires a licence.

Licence Fees

Licence Fees per Type of Event

Bingo	
At licensed bingo facility	$30 per event
Not at licensed bingo facility:	
Events with yearly sales of $150,000 or less	No charge
Events with yearly sales of over $150,000	$30 per event
Bingo Facility Licence	
Class A Facility	No charge
Class B Facility	$500
Casino	
Not at fairs or exhibitions	$15 per table per day (excludes poker)
At fairs or exhibitions	$35 per table per day (excludes poker)
Casino Facility Licence	$500
Pull-Ticket	$10 per set of sealed, boxed or bagged tickets
Raffle	
More than $10,000 but less than $100,000 total ticket value	$150
More than $100,000 but less than $1 million total ticket value	$500
$1 million or more	$1,000
Authorizing lottery scheme involving prize bonds	$10,000

Licence Fees Collected ($000)

	Bingos	Casinos	Pull-Tickets	Raffles	Casino Facilities	Total Fees Collected
2006-07	834	1,444	210	93	9	2,590
2005-06	995	1,410	221	95	21*	2,757
2004-05	1,093	1,398	233	88	10	2,822

* Re-stated for 2006-07.

Contact Information

AGLC OFFICES

Remember you can **dial 310-0000 toll-free** to access any of these offices. Also check out the AGLC website at **www.aglc.gov.ab.ca**.

St. Albert
50 Corriveau Avenue
St. Albert, AB T8N 3T5
Tel: (780) 447-8600
or 1-800-272-8876

Red Deer
3, 7965 - 49 Avenue
Red Deer, AB T4P 2V5
Tel: (403) 314-2656

Grande Prairie
10020 - 124 Avenue
Grande Prairie, AB T8V 5L7
Tel: (780) 832-3000

Calgary
110, 6715 - 8 Street NE
Calgary, AB T2E 7H7
Tel: (403) 292-7300
or 1-800-372-9518

Lethbridge
3103 - 12 Avenue N
Lethbridge, AB T1H 5P7
Tel: (403) 331-6500

CHARITABLE GAMING

For more information on charitable gaming, eligibility, use of proceeds or the GAIN program, please contact any of the following people by phone during business hours, or by fax or by email anytime. You access these people **toll-free by dialing 310-0000** or you can also access the website at **www.aglc.gov.ab.ca**.

Bonnie Yaskiw, Director, Licensing and Charitable Gaming
Phone: (780) 447-8837 Fax: (780) 447-8911
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Financial Review general e-mail: financial.review@aglc.gov.ab.ca

Charitable gaming licensing forms, the Charitable Gaming Policies Handbook, and the Host First Nation Charitable Casino Policies Handbook are available on the AGLC website at: **www.aglc.gov.ab.ca**.

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Additional copies of this publication or the annual report for the Alberta Gaming and Liquor Commission are available by contacting:

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Alberta Gaming and Liquor Commission
Toll free: 1 (800) 272-8876
Fax: (780) 447-8931

This and other related reports may be viewed on the AGLC website at **www.aglc.gov.ab.ca**

If gambling is a concern for you or someone you know, call the 24-hour AADAC toll-free Help-Line, 1 (866) 332-2322, for confidential information and support.

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Alberta Gaming and Liquor Commission

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